

Agenda Item #2D
July 11, 2006

Action

MEMORANDUM

July 6, 2006

TO: County Council
FROM: ^{CHL} Charles H. Sherer, Legislative Analyst
SUBJECT: Recommendation from the Management and Fiscal Policy Committee regarding a resolution to amend the County's energy policy regarding clean and renewable energy

MFP Committee recommendation The Committee met on June 26 and recommends **approval** (2-0, Councilmember Denis absent).

Background The Council approved an energy policy in 1990 and amended it on November 14, 1995, on February 8, 2000, and on March 18, 2003. Councilmember Leventhal initiated the last amendment which added clauses 13 through 15 to the Energy Policy as shown on page (not ©) 6-7. Clause 13 stated that Montgomery County agencies will make best efforts to ensure that at least 5% of electricity will be from clean renewable sources.

(In related actions: 1) On March 8, 2005 the Council approved bill 39-04, which established a Clean Energy Rewards program. Beginning in July 2006, this program gives those who sign up to receive energy from renewable sources through their local utility company a rebate of County energy taxes. 2) On April 25, 2006 the Council introduced bill 17-06 to promote energy efficiency and environmental design by requiring certain new buildings to meet Green Building standards.)

Summary of the 2006 amendment On April 25, 2006, the Council introduced the attached resolution sponsored by Council President Leventhal to amend the County Energy Policy. As stated above, the current goal is for the County to buy at least 5% of its energy from clean renewable sources. The **amendment** would increase the goal from 5% to 10% in 2007 and that goal will be increased to 20% by 2011 (see clause 13a in the Energy Policy on page 6).

In a news release on May 1, the Council President stated that "The threat of global warming is probably the most crucial challenge facing our generation. With our help and support, Montgomery County can do its part to meet that challenge." His amendment would help reduce this threat.

Schedule In accordance with section 18A-4 of the Montgomery County Code, the Council submitted the proposed amendment to the County Executive for review and comment on April 25, 2006 (©1). On May 5, the Council received the Executive's comment. He "...strongly supports the goal of increasing the County's use of energy generated from clean, renewable sources to 20% by 2011." (©2)

After receiving amendments initiated by the Executive or comments from the County Executive on amendments initiated by the Council, the Council must hold a public hearing after not fewer than 30 days notice. On May 16, 2006, the Council announced that it will hold a public hearing on June 20, and the advertisement was in the Sentinel on May 18. "At the public hearing, all interested persons, firms, organizations and groups must have an opportunity to comment on the policy."

The schedule for this amendment is shown below.

Introduction	April 25, 2006
Announce public hearing	May 16
Public hearing	June 20
MFP	June 26
Action	July 11

Public hearing on June 26 There were two speakers. Both supported the amendment.

Resolution No:

Introduced:

April 25, 2006

Adopted:

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: County Council

Subject: County Energy Policy

Background

1. On November 14, 1995, the Council approved the County Energy Policy in Resolution 13-335, which replaced the policy approved in 1990.
2. On February 8, 2000, the Council amended the Energy Policy in Resolution 14-427.
3. On March 18, 2003, the Council amended the Energy Policy in Resolution 15-100.
4. The County took a leadership role in 2003 by being one of the first entities in the State to conduct joint procurement of electricity supply, and continues to take a proactive approach to ensuring that the interests and concerns of County residents are met in a competitive electricity marketplace.
5. The County's joint procurement consists of an aggregated load of sufficient size potentially to influence the development of clean and renewable resources in the electricity marketplace.
6. It is the policy of the County to "Continually improve the efficient use of all energy resources in order to ensure a future with a secure and sustainable energy supply" and to "look to increase the amount of clean and renewable energy purchased in a competitive marketplace." (County Energy Policy, Resolution 14-427, February 8, 2000)
7. Following the Council's unanimous passage of Resolution 15-100 on March 18, 2003, the members of the electricity buying group of the Interagency Committee on Energy and Utilities Management (ICEUM) developed a solicitation for the joint purchase of electricity that includes 5% wind energy.
8. Today, at least 5% of the County's total annual electric load is supplied by clean renewable energy. The County Executive has announced that this amount will increase to 10% in fiscal year 2007.

Action

The County Council for Montgomery County, Maryland amends paragraph 13a of the attached Energy Policy. The amendment requires that at least 10% of the County's total annual electric load will be supplied by clean renewable energy in 2007 and that amount will be increased to 20% by 2011.

The entire Energy Policy as amended is made a part of this resolution.

This is a correct copy of Council action.

Linda M. Lauer, Clerk of the Council

MONTGOMERY COUNTY ENERGY POLICY

The County's energy policy is to:

1. Continually improve the efficient use of all energy resources in order to insure a future with a secure and sustainable energy supply. Fuels availability and the need to improve air quality may limit energy use of fossil fuels.
2. Seek creative ways that the public sector can take advantage of cost-saving opportunities presented by utility restructuring, including undertaking an aggregated cooperative competitive procurement of electricity supply at the earliest opportunity practicable; look to increase the amount of clean and renewable energy purchased in a competitive marketplace; and serve as an education and information resource about restructuring for the County's residents and businesses.
3. Integrate energy consumption and sustainability considerations into land use, development and transportation planning as a means of evaluating the impact of growth and development on energy consumption and the environment in the County.
4. Increase energy efficiency in County facilities and vehicles; work with the private sector to encourage enhanced energy efficiency for commercial buildings, dwellings and vehicles.
5. Promote increased use of alternative-fueled vehicles in the County fleet, and in private fleets that operate in the County.
6. Integrate requirements for greater energy efficiency into commercial and residential building codes and effect adequate energy code enforcement.
7. Promote the efficient use of energy through example, education, and legislation.
8. Support government funding for projects that promote public and multi-person modes of transportation as one means of conserving energy, alleviating traffic congestion and reducing harmful emissions. Use legislative, regulatory and fiscal policies to discourage use of single-occupancy vehicles and encourage use of mass transit.
9. Educate the citizens of Montgomery County to the importance of more efficient energy consumption and the direct linkages between energy usage and a healthy environment.
10. Seek intergovernmental cooperation in developing effective, cost-efficient methods to meet the requirements of federal energy and environmental legislation.
11. Encourage the reduction of per capita energy consumption in Montgomery County from 1995 base levels by 20% by the year 2010; support further per capita reductions in energy consumption thereafter as deemed practicable and appropriate.
12. Recognize and reward individual initiative and collective efforts that contribute to the County's energy/environmental policy goals.

13. Montgomery County agencies, as an element of an aggregated cooperative competitive procurement of electric supply, will make best efforts to ensure that a portion of the electricity purchased in a competitive marketplace be derived from clean renewable energy generation sources such that:
 - a. at least [5] 10% of the County's total annual electric load [is] will be supplied by clean renewable energy [generated power] in 2007 and that amount will be increased to 20% by 2011; the County Council, in conjunction with the County Executive, may, at some future date, alter or adjust the minimum percentage of clean renewable energy required in electricity procurements;
 - b. the clean renewable energy generation purchased will be produced within the air shed affecting Montgomery County and within a geographic area in sufficient proximity to Montgomery County to provide local air quality benefits to the County;
 - c. the clean renewable energy generation shall include power that is generated using zero-emissions new renewable energy resources, as defined by the "Green-e" Renewable Electricity Certification Program, such as solar energy, wind energy, and geothermal energy, that meets the eligibility requirements of the U.S. Environmental Protection Agency's Green Power Partnership Program;
 - d. In the case of wind energy, the generation will come from a wind power facility that has been examined and approved by the Maryland Department of Natural Resources (DNR), or equivalent entities in other states, in regards to potential bird impacts, and where DNR or its equivalent has found that the impacts are likely to be low. The facility will need to remain in compliance with any conditions and mitigation obligations required by the Maryland Public Service Commission or its equivalent in other states. For those wind facilities constructed after the effective date of this resolution, the facilities must conduct studies as established by the guidelines of the National Wind Coordinating Committee for protecting birds and other wildlife, to the satisfaction of the DNR or its equivalent in other states.
 - e. the purchase of clean renewable energy generated power will begin at the earliest date practicable, and will continue through future electricity procurements;
14. Montgomery County will develop an "Energy Wise Offices" program to encourage County employees to reduce energy consumption through behavioral modification.
 - a. The "Energy Wise Offices" program will consist of outreach and education for County government employees, to be conducted by the Department of Environmental Protection. In order to evaluate program effectiveness and promote "ownership" of energy costs by individual departments, each department and/or facility will be provided with annual reports of energy usage and energy costs.

- b. The program will include such actions as turning off lights in unoccupied areas, fully enabling energy saving features on computers and office equipment, shutting down equipment that is not in use overnight or over weekends, and using appropriately sized fleet vehicles.
15. As a pilot program, in order to gather information and support efforts to ensure that County buildings are designed, constructed and maintained in as energy efficient a manner as possible, the County will procure the services of an energy auditor to assess the status of energy efficiency of three County buildings which are large energy consumers. The audits will also identify potential cost effective energy saving improvements. The results of the audits will be reported to the County Council. The County Council may, at some future date, expand the number of buildings subject to audit.



MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

OFFICE OF THE COUNCIL PRESIDENT

MEMORANDUM

April 25, 2006

TO: Douglas M. Duncan, County Executive

FROM: George L. Leventhal, Council President *George L. Leventhal*

SUBJECT: County Energy Policy

On April 25, 2006, the Council introduced the attached resolution which I sponsored to amend the County Energy Policy. In accordance with section 18A-4 of the Montgomery County Code, we are submitting the proposed amendment to you for review and comment. After receiving and considering your comments, we will hold a public hearing.

The amendment would add the following paragraphs:

1. Montgomery County agencies, as an element of an aggregated cooperative competitive procurement of electric supply, will make best efforts to ensure that a portion of the electricity purchased in a competitive marketplace be derived from clean renewable energy generation sources such that:

At least 10% of the County's total annual electric load will be supplied by clean renewable energy in 2007 and that amount will be increased to 20% by 2011.

Env. & Energy



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OFFICES OF THE COUNTY EXECUTIVE

Douglas M. Duncan
County Executive

Bruce Romer
Chief Administrative Officer

MEMORANDUM

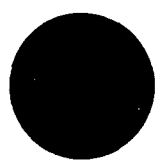
May 4, 2006

022367

TO: George L. Leventhal, President
County Council

FROM: Douglas M. Duncan, County Executive

SUBJECT: County Energy Policy



Thank you for the opportunity to comment on the draft resolution to amend the County's Energy Policy. As we have discussed before, I strongly support the goal of increasing the County's use of energy generated from clean, renewable sources to 20 percent by 2011. Such a goal is not only feasible given our experience in electricity procurement, but also will be beneficial for the region's environment and the State's compliance with the Federal Clean Air Act.

Copies to:

Bruce Romer, Chief Administrative Officer
Jim Caldwell, Director, Department of Environmental Protection
Paul Folkers, Assistant Chief Administrative Officer

2006 MAY -5 AM 11:00

RECEIVED
MONTGOMERY COUNTY
COUNCIL

